

# UAC INSURANCE MUTUAL

## *Board of Trustees Meeting*

Thursday, September 3, 1998, 9:30 a.m.

Utah Association of Counties Offices

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9:30	Call to Order	Gary Herbert
	Review of Board Members Absent	Gary Herbert
	Approval of July 23, 1998, Minutes	Gary Herbert
	1999 General and Administrative Budget	Brett Rich
	1999 Member Premium Contributions	Brett Rich
	Broker Report	Rich Stokluska
	Director's Report	Brett Rich
	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	
	Action on Litigation Matters	Kent Sundberg
11:30	Lunch	
	Set Date and Time for Closed Meeting to Discuss the Character, Professional Competence, or Physical or Mental Health of an Individual	
	Non-Owned Vehicle Endorsement	Brett Rich
	1998 Budget Amendment(s)	
	Other Business	Gary Herbert
2:00	Adjourn	



**M** UTAH ASSOCIATION  
OF COUNTIES  
INSURANCE MUTUAL  
**UACIM BOARD OF TRUSTEES MEETING**  
**MINUTES**

September 3, 1998, 9:30 a.m.  
Utah Association of Counties Offices

**BOARD MEMBERS PRESENT**

Gary Herbert, *President*, Utah County Commissioner  
Jerry Hess, *Vice President*, Davis County Deputy Attorney  
Dannie McConkie, *Secretary/Treasurer*, Davis County Commissioner  
Tony Dearden, Millard County Commissioner  
Ty Lewis, San Juan County Commissioner  
Tex Olsen, Sevier County Commissioner  
Ed Phillips, Millard County Sheriff  
Kent Sundberg, Utah County Deputy Attorney

**BOARD MEMBERS ABSENT**

Chad Johnson, Beaver County Commissioner  
Monte Munns, Box Elder County Assessor-Treasurer  
John Swasey, Duchesne County Commissioner

**OTHERS PRESENT**

Brent Gardner, UAC Executive Director  
Brett Rich, Director, UACIM  
Sonya White, UACIM Administrative Assistant  
Rich Stokluska, GRMS Account Executive  
Doug Alexander, McLarens Toplis Claims Manager

**CALL to ORDER**

Gary Herbert called the meeting to order and welcomed those in attendance.

**REVIEW of BOARD MEMBERS ABSENT**

Chad Johnson, Monte Munns and John Swasey requested to be excused from this meeting due to prior commitments. Dannie McConkie made a motion to excuse these Board members from this meeting. Tony Dearden seconded the motion, which passed unanimously.

**APPROVAL of MINUTES**

The minutes of the Board of Trustees meeting held on July 23, 1998 were previously sent to the Board Members for review. Tex Olsen made a motion to approve the minutes as written. Jerry Hess seconded the motion, which passed unanimously.

**1999 ADMINISTRATIVE BUDGET**

Brent Gardner reviewed the proposed 1999 Administrative Budget with the Board (see attachment #1). He explained those items projected to be over or under the adopted 1998 budget and explained any item increases or decreases on the proposed 1999 budget. The Board was concerned about the *Office Rent* item, which increased \$18,300 on the proposed budget. This increase is due to the new Utah Association of Counties building in which the Mutual pays rent at 30% of the total annual loan payment of \$201,000. The Board directed Brent to draft a lease agreement between Utah Association of Counties and the Mutual that will include a possible fixed amount on the rent and detail the relationship between the two. Dannie McConkie made a motion to approve the 1999 Administrative Budget as presented. Ed Phillips seconded the motion, which passed. Jerry Hess opposed the motion.

**1999 GENERAL BUDGET**

Brett Rich reviewed the proposed 1999 General Budget with the Board (see attachment #2). He explained that the *Premiums Written*, *Losses*, and *Excess Insurance* items have increased from the 1998 budget only to include the Mutual's newest member, Weber County. *Claims Management Expenses* have increased by six percent. *Interest Expense* has been cancelled out to keep in-line with the Financial Statements pursuant to insurance accounting practices. Dannie McConkie made a motion to approve the 1999 Administrative Budget as presented. Ed Phillips seconded the motion, which passed. Jerry Hess opposed the motion.



#### SET DATE and TIME for CLOSED MEETING

Dannie McConkie made a motion to set the date and time for a closed meeting to begin at 11:10 a.m. on September 3, 1998, to discuss the character, professional competence or physical or mental health of an individual. Tex Olsen seconded the motion, which passed unanimously.

Tony Dearden made a motion to conclude the closed meeting at 11:55 a.m. on September 3, 1998. Jerry Hess seconded the motion, which passed unanimously.

#### 1999 MEMBER PREMIUM CONTRIBUTIONS

Brett Rich explained that the same formula from last year was used to calculate the proposed 1999 premiums except for two changes. 1) Besides a 5% cap on the loss fund listed, an option of a 7% cap has been added and the 5% overall cap has been taken off the total premium. 2) The cost of the additional liability policy has been included in the amounts for the excess premiums. Brett explained that the 7% option will additionally increase the loss fund and by omitting the 5% overall cap premiums will be more accurately calculated for those counties with high losses and added exposures. Brett reviewed the proposed premium calculation formula (see attachment #3). Ty Lewis made a motion approving the premium calculation formula with a 7% cap on the loss fund. Jerry Hess seconded the motion, which failed 4-4. The Board directed Brett to include options of a 7% and 5% overall cap to the premium calculation formula for the Board to review and discuss during a telephonic conference scheduled for Wednesday, September 9, 1998.

#### BROKER REPORT

Rich Stokluska reported that the medical payments exclusion was received from Great American on July 17, 1998.

Rich received notice from Great American that they are not capable of writing fiduciary liability coverage and if the Board feels there is an exposure and wants to pursue this coverage, Rich will market.

Rich is waiting for a response from the underwriting and legal departments of Great American as to the request to amend the public officials liability language on the policy to delete *violations of federal, state or local statute*.

Rich explained he has been working on the renewal for the last six weeks and managed to guarantee the loss fund at \$1,550,000. He is still receiving quotes for the excess premium amount but it appears the premium will be at least \$36,000 lower than last year. He will have the premium quotations for the Board to review at the next meeting.

#### SET DATE and TIME for CLOSED MEETING

Tony Dearden made a motion to set the date and time for a closed meeting to begin at 1:15 p.m. on September 3, 1998, to discuss pending or reasonably imminent litigation. Dannie McConkie seconded the motion, which passed unanimously.

Jerry Hess made a motion to conclude the closed meeting at 1:25 p.m. on September 3, 1998. Tony Dearden seconded the motion, which passed unanimously.

#### ACTION on LITIGATION MATTERS

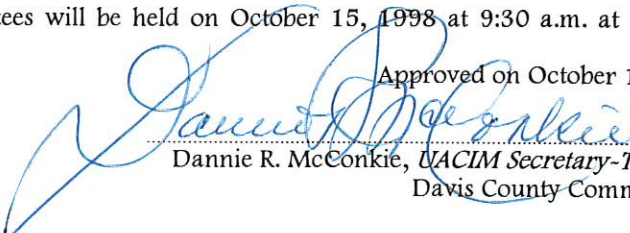
Tony Dearden made a motion authorizing settlement of outstanding attorney's fees on claim number 801WAT967002 up to an amount of \$19,000. Ty Lewis seconded the motion, which passed unanimously.

Ty Lewis made a motion authorizing settlement on claim number 801MIL838400 for property damage of \$58,000. Dannie McConkie seconded the motion, which passed unanimously.

#### OTHER BUSINESS

The next meeting of the Board of Trustees will be held on October 15, 1998 at 9:30 a.m. at the UAC offices.

Approved on October 15, 1998

  
Dannie R. McConkie, UACIM Secretary-Treasurer  
Davis County Commissioner

